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SUBJECT: ANKARA MEDIA REACTION REPORT

TUESDAY, JANUARY 14, 2003

THIS REPORT WILL PRESENT A TURKISH PRESS SUMMARY UNDER THREE THEMES:

HEADLINES
BRIEFING
EDITORIAL OPINION

HEADLINES

MASS APPEAL

Gul, Gen. Ozkok: No indecisiveness on Iraq - Hurriyet Airbases to be upgraded for B-2, F-117 - Milliyet TUSIAD: We must not side with a totalitarian regime - Vatan Baykal: Turkey humiliated by trade tour to Baghdad - Aksam James Woolsey: We'll bring democracy to Mideast - Sabah Tarik Aziz: Saddam won't leave Iraq - Turkiye Government to abolish red tape for foreign investors - Turkiye

OPINION MAKERS

First warnings from TUSIAD - Radikal
Barzani: Kurds won't join U.S. fight against Iraqi regime Yeni Safak
Turkish Cypriot opposition rallies for Annan plan Cumhuriyet
Arinc: Turks not responsible for Cyprus dissolution - Zaman

FINANCIAL JOURNALS
Turkey's trade mission to Iraq to bring Euro695 million -

Dunya
TUSIAD: Lower inflation a prerequisite for growth - Finansal
Forum

BRIEFING

Iraq: All papers report that 150 U.S. experts have started site surveys at airbases and ports, with a particular focus on upgrading runways for B-2 and F-117 aircraft. Dailies expect construction work to be completed in 45 days.

"Hurriyet," citing the Russian TASS news, claims that Prime
Minister Gul found support in Egypt, Saudi Arabia and Syria
for his peace initiative> This support encouraged the PM to send a message to Saddam Hussein urging him to step down. Prime Minister Gul and TGS Chief Gen. Ozkok said after a meeting on Monday that the Turkish government and military would work together for a peaceful solution to the Iraq crisis. "Cumhuriyet" comments that Prime Minister Gul' Middle East tour has shown that Jordan, Syria, Iran and Saudi Arabia - the countries to be directly affected by a war against Iraq -- agree that Iraq's territorial integrity should be preserved. Turkish Businessmen's Association should be preserved. (TUSIAD) Chairman Ozilhan criticized the government for indecisiveness on Iraq and attempts to increase cooperation with the totalitarian regime in Baghdad. Prime Minister Gul responded by saying that businessmen should be careful in their criticism, and noted that the government was discussing the issue with the U.S.. Cyprus: U.S. Special Cyprus Coordinator Tom Weston met with MFA deputy U/S Baki Ilkin on Monday. Papers report Weston as saying that the U.S. has always supported a compromise acceptable to Turkey, a close friend and ally.
Parliamentary Speaker Arinc, visiting the Turkish Republic of Northern Cyprus (TRNC) with 20 parliamentarians, met with Denktas on Monday. Denktas complained that no Turks would remain on the island if the UN plan is accepted unchanged, and blamed the Greek Cypriots for using the EU shield to take control of the island, reports say. Turkish Cypriot NGOs are expected to stage a rally of about 80,000 in Lefkosa today in support of the UN peace plan and EU membership.

Ambassador Pearson: MFA U/S Ambassador Ziyal briefed U.S. Ambassador Robert Pearson about Prime Minister Gul's meetings in the Middle East, papers report. Dailies say that Amb. Pearson sees no trouble in Turkey-U.S. relations, and is confident that the two countries will work out a compromise regarding U.S. requests for cooperation against Irag.

Economy: Turkish Businessmen's Association (TUSIAD) Chairman Ozilhan criticized the AKP government for lack of coordination, contradictory statements by government officials, actions against the spirit of the economic reform program, and lack of dialogue with the bureaucracy, the opposition, and civilian organizations. The government must refrain from actions which threaten financial discipline and the fight against inflation, Ozilhan warned. On the other hand, Deputy Prime Minister Sener reportedly said that a number of state enterprises would be liquidated. Sener said that the AKP government was considering privatization of the Istanbul Stock Exchange (IMKB), the Istanbul Gold Exchange, the National Lottery, motorways, Halkbank, and energy distribution firms in order to achieve a target of \$4 billion in privatization revenues in 2003. IMF First Deputy Director Anne Krueger is due in Istanbul on Wednesday for meetings with economic officials. World Bank Vice President Johannes Linn is expected in Ankara on January 16. Papers report that the WB will provide Turkey a \$5 billion loan in 2003.

EDITORIAL OPINION: Iraq

"The US-Turkey and Iraq" Yilmaz Oztuna criticized the Turkish trade mission to Baghdad in mass appeal-conservative Turkiye (1/14): "The US clearly asks for Turkey's full support. The nature of support requires Parliament's approval and it is interesting to see that the government has not yet applied for that mandate. It is certain that the US will execute this operation (against Iraq) and Turkey should make its plans accordingly. In the meantime, the increasing remarks from Washington, such as busy phone lines at the White House, should be interpreted as friendly warnings not threats. The Turkish trade mission has miscalculated the immediate future of Iraq. Following the military operation, the US will remain in the country and Turkish businessmen might be faced with the reality of not getting any of the rebuilding projects. Because in a few months, our immediate border neighbor will be the US not Iraq." "Minister Tuzmen, the Officious" Hasan Cemal opined in mass appeal Milliyet (1/14): "The trade mission to Baghdad headed by State Minister Tuzmen is clearly annoying. Saddam Hussein is desperate to gain legitimacy and the Turkish Minister is just presenting him a gift. . Even Saddam knows the current dimension of Turkish-American relations, yet it seems Minister Tuzmen is not aware of it. . Working for peace is certainly is a good thing as long as one can set up the priorities. First of all, Iraq's near future means America, not Saddam. Secondly, the UN embargo against Iraq still continues and agreements with Iraq are doomed to remain on paper. Thirdly, Saddam is no friend of Turkey. Yet Turkey and the US are two friends and allies with a strategic partnership. Last but not least, Turkey managed to overcome a grave economic crisis with the help and support of the US. The officious ones should know these facts well.

PEARSON